

Auditing Procedures Report

Issued under P.A. 2 of 1968, as amended.

Local Government Type <input type="checkbox"/> City <input type="checkbox"/> Township <input type="checkbox"/> Village <input checked="" type="checkbox"/> Other		Local Government Name MAYVILLE DISTRICT PUBLIC LIBRARY	County TUSCOLA
Audit Date 6-30-05	Opinion Date 9-21-05	Date Accountant Report Submitted to State: 11-23-05	

We have audited the financial statements of this local unit of government and rendered an opinion on financial statements prepared in accordance with the Statements of the Governmental Accounting Standards Board (GASB) and the *Uniform Reporting Format for Financial Statements for Counties and Local Units of Government in Michigan* by the Michigan Department of Treasury.

We affirm that:

1. We have complied with the *Bulletin for the Audits of Local Units of Government in Michigan* as revised.
2. We are certified public accountants registered to practice in Michigan.

We further affirm the following. "Yes" responses have been disclosed in the financial statements, including the notes, or in the report of comments and recommendations

You must check the applicable box for each item below.

- ☐ Yes ☒ No 1. Certain component units/funds/agencies of the local unit are excluded from the financial statements.
- ☐ Yes ☒ No 2. There are accumulated deficits in one or more of this unit's unreserved fund balances/retained earnings (P.A. 275 of 1980).
- ☐ Yes ☒ No 3. There are instances of non-compliance with the Uniform Accounting and Budgeting Act (P.A. 2 of 1968, as amended).
- ☐ Yes ☒ No 4. The local unit has violated the conditions of either an order issued under the Municipal Finance Act or its requirements, or an order issued under the Emergency Municipal Loan Act.
- ☐ Yes ☒ No 5. The local unit holds deposits/investments which do not comply with statutory requirements. (P.A. 20 of 1943, as amended [MCL 129.91], or P.A. 55 of 1982, as amended [MCL 38.1132]).
- ☐ Yes ☒ No 6. The local unit has been delinquent in distributing tax revenues that were collected for another taxing unit.
- ☐ Yes ☒ No 7. The local unit has violated the Constitutional requirement (Article 9, Section 24) to fund current year earned pension benefits (normal costs) in the current year. If the plan is more than 100% funded and the overfunding credits are more than the normal cost requirement, no contributions are due (paid during the year).
- ☐ Yes ☒ No 8. The local unit uses credit cards and has not adopted an applicable policy as required by P.A. 266 of 1995 (MCL 129.241).
- ☐ Yes ☒ No 9. The local unit has not adopted an investment policy as required by P.A. 196 of 1997 (MCL 129.95).

We have enclosed the following:	Enclosed	To Be Forwarded	Not Required
The letter of comments and recommendations.			X
Reports on individual federal financial assistance programs (program audits).			X
Single Audit Reports (ASLGU).			X

Certified Public Accountant (Firm Name) Anderson, Tuckey, Barnhardt & Doran P.C.			
Street Address 715 East Frank Street		City Cairo	State MI
Accountant Signature Amy R. Anderson CPA		ZIP 48723	Date 11-22-05

MAYVILLE DISTRICT PUBLIC LIBRARY
Mayville, Michigan

Report on Financial Statements
(with required supplementary and
additional information)
June 30, 2005

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ANDERSON, TUCKEY, BERNHARDT & DORAN, P.C.

Certified Public Accountants



Gary R. Anderson, CPA
Jerry J. Bernhardt, CPA
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Robert L. Tuckey, CPA
Valerie Jamieson Hartel, CPA
Jamie L. Peasley, CPA

September 21, 2005

INDEPENDENT AUDITOR'S REPORT

Members of the Board
Mayville District Public Library
Mayville, MI 48744

Dear Board Members:

We have audited the accompanying financial statements of the governmental activities and the major funds of Mayville District Public Library, Mayville, Michigan, as of June 30, 2005, which collectively comprise the Library's basic financial statements as listed in the Table Of Contents. These financial statements are the responsibility of the Mayville District Library's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the government activities and the major fund of the Mayville District Public Library as of June 30, 2005 and the respective changes in financial position, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As describe in Note 2, the Library has implemented a new financial reporting model as required by the Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – For State and Local Governments* as of July 1, 2003.

The management's discussion and analysis and budgetary comparison information on pages i through ii and page 11, are not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the primary government of Mayville District Public Library's basic financial statements. The additional information on pages 12 and 13 is presented for purposes of additional analysis and is not a required part of the basic financial statements. This additional information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Anderson, Tuckey, Bernhardt & Doran, P.C.

ANDERSON, TUCKEY, BERNHARDT & DORAN, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

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MAYVILLE DISTRICT PUBLIC LIBRARY
Management's Discussion and Analysis
June 30, 2005

The basic financial statements on pages 1 through 4 include information that presents two different views of the Library using the modified-accrual and full accrual methods.

The first three columns of the governmental fund balance sheet/statement of net assets and the governmental fund statement of revenue, expenditures, and changes in fund balance/statement of activities include information about the Library's General Fund, Debt Retirement Fund, and Capital Projects Fund under the modified-accrual method. The modified-accrual basis focuses on current financial resources and provides a more detailed view about the accountability of the Library's sources and uses of the funds.

The adjustment column of the financial statements represents adjustments necessary to convert the modified-accrual financial statements to the Library as a Whole financial statements under the full-accrual method. The full-accrual basis focuses on long-term economic resources.

The Library as a Whole column provides both long-term and short-term information about the Library's overall financial status. The Library as a Whole statement of net assets – full-accrual basis column and the Library as a Whole statement of activities – full-accrual basis column provide information about the activities of the Library as a Whole and present a longer-term view of the Library's finances. These columns tell how these services were financed in the short-term, as well as what remains for future spending.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data.

Condensed Financial Information

Below shows the key financial information under the full-accrual method in a condensed format. Note: Amounts and totals reported are for all Library activities, including general operations, capital projects, and debt activity – to give a complete picture.

	<u>June 30, 2005</u>	<u>June 30, 2004</u>
Assets		
Current assets	\$85,598	\$298,054
Capital assets	<u>742,816</u>	<u>566,921</u>
Total assets	<u>\$828,414</u>	<u>\$864,975</u>
Liabilities		
Current liabilities	\$ 48,314	\$ 48,844
Long-term liabilities	<u>310,000</u>	<u>355,000</u>
Total liabilities	<u>\$358,314</u>	<u>\$403,844</u>
Net Assets		
Investment in capital assets – Net of related debt	\$387,816	\$166,921
Restricted for debt retirement	6,736	7,296
Unrestricted	<u>75,548</u>	<u>286,914</u>
Total net assets	<u>\$470,100</u>	<u>\$461,131</u>

MAYVILLE DISTRICT PUBLIC LIBRARY
Management's Discussion and Analysis
June 30, 2005

	<u>June 30, 2005</u>	<u>June 30, 2004</u>
Revenue		
Property taxes	\$ 88,426	\$ 88,023
Fines	42,474	44,602
Other	<u>20,349</u>	<u>24,101</u>
Total revenue	151,249	156,726
Expenses	142,280	102,098
Change in Net Assets	8,969	54,628
Net Assets, Beginning of year	<u>461,131</u>	<u>406,503</u>
Net Assets, End of year	\$470,100	\$461,131

The Library as a Whole

The Library's net assets increased by \$8,969 this year. The Library's primary sources of revenue are from property taxes and fines.

Salaries and fringe benefits continue to be the largest expense for the Library's General Fund.

The Library's Funds

The budgetary analysis of the General Fund is included on page 11, which shows the General Fund, the Library's major operating fund, including revenues and expenditures, excess of revenue over expenditures, other financing sources and fund balance.

Library's Budgetary Highlights

Over the course of the year, the Library Board amended the General Fund's budget several times. The major variance was payroll expense, which was reduced by \$6,000.

Capital Assets and Long-term Debt Activity

At the end of the fiscal year, the Library had \$921,129 invested in buildings, furniture, equipment, books, videos, and construction in progress based on the historical cost. During the year \$13,941 was spent on books and videos and \$35,469 was spent on equipment. Also, \$155,887 was spent on construction in progress.

The Library issued bonds during the year ended June 30, 2004 totaling \$400,000 for the construction/remodeling of a the library building. Bonds in the amount of \$45,000 were redeemed during the current year.

Requests for Information

This financial report is designed to provide a general overview of Mayville District Public Library's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Mayville District Public Library, 6090 Fulton St., Mayville, MI 48744.

BASIC FINANCIAL STATEMENTS

MAYVILLE DISTRICT PUBLIC LIBRARY
Governmental Fund Balance Sheet/Statement of Net Assets
For the Year Ended June 30, 2005

	GOVERNMENTAL FUND TYPES		
	MAJOR FUNDS		
	General	Debt Retirement	Capital Project
ASSETS			
CURRENT ASSETS:			
Cash	\$ 58,354	\$ 8,806	
Certificates of deposit	15,587		
Accounts receivable	2,851		
TOTAL CURRENT ASSETS	76,792	8,806	-
CAPITAL ASSETS:			
Capital assets, net of accumulated depreciation	-	-	-
TOTAL CAPITAL ASSETS	-	-	-
TOTAL ASSETS	\$ 76,792	\$ 8,806	\$ -
LIABILITIES			
CURRENT LIABILITIES:			
Payroll liabilities	\$ 1,244		
Accrued interest			
Current portion of long-term debt			
TOTAL CURRENT LIABILITIES	1,244	-	-
LONG-TERM LIABILITIES			
Bonds payable beyond one year			
TOTAL LONG-TERM LIABILITIES	-	-	-
TOTAL LIABILITIES	1,244	-	-
FUND EQUITY - Unreserved			
Designated:			
Capital projects			\$ -
Debt retirement		\$ 8,806	
Undesignated	75,548		
Total Fund Equity	75,548	8,806	-
TOTAL LIABILITIES AND FUND EQUITY	\$ 76,792	\$ 8,806	\$ -
NET ASSETS			
Invested in capital assets - net of related debt			
Restricted for debt retirement			
Unrestricted			

TOTAL NET ASSETS

The accompanying notes are an integral part of the financial statements.

<u>Total - Modified- Accrual Basis</u>	<u>GASB No. 34 Adjustments (Note 3)</u>	<u>Library as a Whole Statement of Net Assets- Full-Accrual Basis</u>
\$ 67,160		\$ 67,160
15,587		15,587
2,851		2,851
<u>85,598</u>	<u>-</u>	<u>85,598</u>
-	\$ 742,816	742,816
-	742,816	742,816
<u>\$ 85,598</u>	<u>\$ 742,816</u>	<u>\$ 828,414</u>
\$ 1,244		\$ 1,244
-	\$ 2,070	2,070
-	45,000	45,000
<u>1,244</u>	<u>47,070</u>	<u>48,314</u>
-	310,000	310,000
-	310,000	310,000
<u>1,244</u>	<u>357,070</u>	<u>358,314</u>
-	-	-
8,806	(8,806)	-
<u>75,548</u>	<u>(75,548)</u>	<u>-</u>
84,354	(84,354)	-
<u>\$ 85,598</u>		
	\$ 387,816	\$ 387,816
	6,736	6,736
	<u>75,548</u>	<u>75,548</u>
	<u>\$ 470,100</u>	<u>\$ 470,100</u>

MAYVILLE DISTRICT PUBLIC LIBRARY
Statement of Governmental Fund Revenue, Expenditures And
Changes In Fund Balance/Statement of Activities
For the Year Ended June 30, 2005

	GOVERNMENTAL FUND TYPES		
	<u>General</u>	<u>Debt Retirement</u>	<u>Capital Project</u>
REVENUES:			
Grants	\$ 6,647		
Services	5,611		
Fines	42,474		
Property Taxes	29,624	\$ 58,802	
Miscellaneous	<u>7,545</u>	<u>167</u>	<u>\$ 379</u>
TOTAL REVENUES	<u>91,901</u>	<u>58,969</u>	<u>379</u>
EXPENDITURES:			
Salaries and employee benefits	55,846		
Library materials	15,592		
Operational	26,073		3,944
Miscellaneous	7,809	14	
Capital outlay	854		193,528
Depreciation			
Debt service-principal		45,000	
Debt service-interest		<u>15,167</u>	
TOTAL EXPENDITURES	<u>106,174</u>	<u>60,181</u>	<u>197,472</u>
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	(14,273)	(1,212)	(197,093)
OTHER FINANCING SOURCES (USES):			
Bond Proceeds			
Operating transfers - in	9,932		
Operating transfers - out	<u>-</u>		<u>(9,932)</u>
TOTAL OTHER FINANCING SOURCES (USES)	9,932	-	(9,932)
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	(4,341)	(1,212)	(207,025)
FUND BALANCE/NET ASSETS - JULY 1	<u>79,889</u>	<u>10,018</u>	<u>207,025</u>
FUND BALANCE/NET ASSETS - JUNE 30	<u>\$ 75,548</u>	<u>\$ 8,806</u>	<u>\$ -</u>

The accompanying notes are an integral part of the financial statements.

<u>Total - Modified- Accrual Basis</u>	<u>GASB No. 34 Adjustments (Note 3)</u>	<u>Library as a Whole Statement of Net Assets- Full-Accrual Basis</u>
\$ 6,647		\$ 6,647
5,611		5,611
42,474		42,474
88,426		88,426
8,091		8,091
<u>151,249</u>	<u>-</u>	<u>151,249</u>
55,846		55,846
15,592	\$ (13,941)	1,651
30,017		30,017
7,823		7,823
194,382	(191,356)	3,026
-	29,402	29,402
45,000	(45,000)	-
15,167	(652)	14,515
<u>363,827</u>	<u>(221,547)</u>	<u>142,280</u>
(212,578)	221,547	8,969
-	-	-
9,932	(9,932)	-
(9,932)	9,932	-
<u>-</u>	<u>-</u>	<u>-</u>
(212,578)	221,547	8,969
<u>296,932</u>	<u>164,199</u>	<u>461,131</u>
<u>\$ 84,354</u>	<u>\$ 385,746</u>	<u>\$ 470,100</u>

MAYVILLE DISTRICT PUBLIC LIBRARY

Notes To The Financial Statements For The Year Ended June 30, 2005

NOTE 1 - DESCRIPTION OF DISTRICT LIBRARY OPERATIONS:

The Mayville District Public Library was formed by the local governmental agencies of the Village of Mayville, Fremont Township, Dayton Township and Rich Township. The District Library district is comprised of all the territory in the Township's of Fremont and Dayton and the Village of Mayville, and part of the Township of Rich.

The District Library will be governed by an eight-member board comprised of two members from each of the three townships and the Village of Mayville.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

BASIS OF ACCOUNTING:

The accompanying financial statements have been prepared in accordance with criteria established by the Governmental Accounting Standards Board for determining the various governmental organizations to be included in the reporting entity. There is no component unit to be included in the Library's financial report.

MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION:

The Library's basic financial statements include both the Library as a Whole and its individual fund financial statements.

Library as a Whole Financial Statements

The Library as a Whole financial statements (i.e., the statement of net assets and the statement of activities) are reported using the economic resources measurement focus and the accrual basis of accounting, which is described below.

Revenue is recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The statement of net assets includes and recognizes all long-term assets and receivables as well as long-term debt and obligations. The Library's net assets are reported in three parts – invested in capital assets, net of related debt; restricted net assets; and unrestricted net assets.

The statement of activities includes depreciation on long-term assets and eliminates capital outlay expense.

As a general rule, the effect of interfund activity has been eliminated from the library-wide financial statements.

MAYVILLE DISTRICT PUBLIC LIBRARY

Notes To The Financial Statements

For The Year Ended June 30, 2005

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued):

Fund Financial Statements

The Library's individual fund financial statements are reported using the current financial resources measurement focus and the modified-accrual basis of accounting, which is described below.

Revenue is recognized as soon as it is both measurable and available. Revenue is considered to be available if it is collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Library considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, expenditures relating to claims and judgments are recorded only when payment is due.

Revenues are recognized in the accounting period in which they become susceptible to accrual – that is, when they become both measurable and available to finance expenditures of the fiscal period. All other revenue items are considered to be available only when cash is received by the Library.

The Library reports the following governmental funds as major funds:

General Fund - The General Fund is the Library's primary operating fund. It accounts for all financial resources except those required to be accounted for in another fund.

Capital Projects Fund - These funds are used to account for the receipt of debt proceeds and the acquisition of fixed assets or construction of major capital projects.

Debt Service Fund - The Debt Service Fund was established to make principal and interest payments on the Library's debt.

ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY:

Cash and Investments – The Library considers all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents. Investments are recorded at fair value.

Receivables and Payables – In general, outstanding balances between funds are reported as "due to/from other funds."

Property Taxes – Property taxes are levied on each December 1 on the taxable valuation of property as of the preceding December 31. Taxes are considered delinquent on March 1 of the following year, at which time penalties and interest are assessed. The 2004 taxable valuation of the Library totaled approximately \$107,617,993, on which ad valorem taxes levied consisted of .8650 mills for the Library's operating purposes and for debt retirement.

MAYVILLE DISTRICT PUBLIC LIBRARY

Notes To The Financial Statements

For The Year Ended June 30, 2005

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued):

Capital Assets – Capital assets are defined by the Library as assets with an initial cost of more than \$1,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

Buildings, furniture, equipment, library books, periodicals, and videos are depreciated using the straight-line method over the following useful lives:

Buildings and improvements	7 - 50 years
Furniture and equipment	5 – 20 years
Library books and videos	5 years

Fund Equity – In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for a specific purpose.

Use of Estimates – The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.

NOTE 3 – RECONCILIATION OF THE LIBRARY AS A WHOLE AND THE GOVERNMENTAL FUNDS FINANCIAL STATEMENTS:

Total fund balances and the net change in fund balances of the Library's individual funds differ from net assets and change in net assets of the Library as a Whole reported in the statement of net assets and statement of activities. This difference results primarily from the long-term economic focus of the statement of net assets and statement of activities versus the current focus of the statement of the individual governmental funds' balance sheet and statement of revenue, expenditures and change in fund balance. The following is a reconciliation of fund balances to net assets and the net change in fund balances to the net change in net assets:

Total Fund Balance – Modified-accrual Basis	\$ 84,354
Amounts reported in the statement of net assets are different because:	
Capital assets are not financial resources and are not reported in the funds	742,816
Long-term liabilities are not due and payable in the current period and are not reported in the funds	(355,000)
Interest payments on long-term liabilities are not due and payable in the current period and are not reported in the funds	<u>(2,070)</u>
Total Net Assets – Full-accrual Basis	\$470,100

MAYVILLE DISTRICT PUBLIC LIBRARY

Notes To The Financial Statements

For The Year Ended June 30, 2005

NOTE 3 – RECONCILIATION OF THE LIBRARY AS A WHOLE AND THE GOVERNMENTAL FUNDS FINANCIAL STATEMENTS, (Continued):

Net Change in Fund Balances – Modified-accrual Basis	(\$212,578)
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Amounts reported in the statement of net activities are different because:

Governmental funds report capital outlay as expenditures in the statement of activities; these costs are allocated over their estimated useful lives as depreciation:

Library books and videos	13,941
Capital outlay	191,356
Depreciation expense	(29,402)

Bond payments are reported as an expense in the fund statements, but not in the statement of net activities (where it decreases long-term debt)	45,000
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Decrease in accrued interest reported as an expenditure in the statement of activities, but not in the fund statements	<u>652</u>
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Change in Net Assets – Full-accrual Basis	\$ 8,969
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NOTE 4 – BUDGET INFORMATION:

The annual budget is prepared and adopted by the Library Board and subsequent amendments are approved by the Library Board. Unexpended appropriations lapse at year-end. The budget has been prepared in accordance with accounting principles generally accepted in the United States of America. During the current year, the budget was amended in a legally permissible manner.

The budget has been adopted on a line-item basis. Any violations are disclosed in the required supplementary information.

NOTE 5 - CASH AND EQUIVALENTS - CREDIT RISK:

Deposits

At year-end, the carrying amount of the Library's deposits was \$87,747, of which \$15,587 is invested in certificates of deposits. The bank balance was \$87,385 of which \$87,385 was covered by federal depository insurance. The Library places its deposits with high quality financial institutions.

Investments

The Library has no investments.

Primary Government

Cash	\$82,747
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MAYVILLE DISTRICT PUBLIC LIBRARY

Notes To The Financial Statements

For The Year Ended June 30, 2005

NOTE 6 – CAPITAL ASSETS:

Capital asset activity of the Library was as follows:

	Balance July 1, 2004	Additions	Disposals and Adjustments	Balance June 30, 2005
Capital assets being depreciated				
Buildings and improvements	\$338,000	426,264		764,264
Library books and videos	67,344	13,941	14,497	66,788
Furniture and fixtures	31,017	34,185		65,202
Office equipment	34,530	1,284	10,940	24,874
Total capital assets, being depreciated	470,891	475,674	25,437	921,128
Less accumulated depreciation for:				
Buildings and improvements	81,020	11,023		92,043
Library books and videos	34,004	13,413	14,497	32,920
Furniture and fixtures	30,300	2,919		33,219
Office equipment	29,023	2,047	10,940	20,130
Total accumulated depreciation	174,347	29,402	25,437	178,312
Total net capital assets	\$296,544	\$446,272	\$ 0	\$742,816

NOTE 7 – LONG-TERM DEBT:

Outstanding Debt

	Interest Rate	Beginning Balance	Additions	Reductions	Ending Balance
2004 Library Facility Bonds	3.5 %	\$400,000	\$0	(\$45,000)	\$355,000

Debt Service Requirements

The annual requirements to service all debt outstanding as of June 30, 2005 are as follows:

<u>Years Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2006	\$ 45,000	12,426	\$ 57,426
2007	45,000	10,850	55,850
2008	50,000	9,275	59,275
2009	50,000	7,526	57,526
2010	55,000	5,775	60,775
2011	55,000	3,850	58,850
2012	55,000	1,925	56,925
Total	\$355,000	\$51,627	\$406,627

MAYVILLE DISTRICT PUBLIC LIBRARY

**Notes To The Financial Statements
For The Year Ended June 30, 2005**

NOTE 8 - RISK MANAGEMENT:

The Library is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees and natural disasters. The Library carries commercial insurance to cover any losses that may result from the above-described activities. No settlements have incurred in excess of coverage in 2005 or any of the prior three years.

NOTE 9 – PENSION PLAN:

The Library has no pension plan.

NOTE 10 – TRANSFERS:

The capital projects fund transferred \$9,932 to the general fund.

REQUIRED SUPPLEMENTARY INFORMATION

MAYVILLE DISTRICT PUBLIC LIBRARY
Required Supplementary Information
Budgetary Comparison Schedule - General Fund
For the Year Ended June 30, 2005

	BUDGET			VARIANCE- FAVORABLE (UNFAVORABLE)
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	
REVENUES:				
Local & State Grants	\$ 6,550	\$ 6,550	\$ 6,647	\$ 97
Services	5,000	5,544	5,611	67
Fines	44,900	44,900	42,474	(2,426)
Property Taxes	33,620	31,200	29,624	(1,576)
Miscellaneous	2,770	3,570	7,545	3,975
TOTAL REVENUES	92,840	91,764	91,901	137
EXPENDITURES:				
Salaries and employee benefits	60,000	54,000	55,846	(1,846)
Library materials	18,700	15,575	15,592	(17)
Operational	24,676	27,675	26,073	1,602
Miscellaneous	1,350	2,310	7,809	(5,499)
Capital outlay	3,000	830	854	(24)
TOTAL EXPENDITURES	107,726	100,390	106,174	(5,784)
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(14,886)	(8,626)	(14,273)	(5,647)
OTHER FINANCING SOURCES (USES):				
Operating transfers - in	-	-	9,932	9,932
Operating transfers - out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	9,932	9,932
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	(14,886)	(8,626)	(4,341)	4,285
FUND BALANCE - JULY 1	79,889	79,889	79,889	-
FUND BALANCE - JUNE 30	\$ 65,003	\$ 71,263	\$ 75,548	\$ 4,285

ADDITIONAL INFORMATION

MAYVILLE DISTRICT PUBLIC LIBRARY**Schedule of Revenues
Year Ended June 30, 2005**

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE- FAVORABLE (UNFAVORABLE)</u>
REVENUES:			
Grants:			
State grants	\$ 5,000	\$ 5,508	\$ 508
Local grants	1,550	1,139	(411)
Total Grants	6,550	6,647	97
Services	5,544	5,611	67
Fines:			
Library fines	1,900	2,130	230
Penal fines	43,000	40,344	(2,656)
Total Fines	44,900	42,474	(2,426)
Property Taxes	31,200	29,624	(1,576)
Miscellaneous:			
Interest	270	590	320
Friends of the Library	-	1,663	1,663
Contributions	3,300	5,292	1,992
Total Miscellaneous	3,570	7,545	3,975
TOTAL REVENUES	<u>\$ 91,764</u>	<u>\$ 91,901</u>	<u>\$ 137</u>

MAYVILLE DISTRICT PUBLIC LIBRARY

Schedule of Expenditures Year Ended June 30, 2005

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE- FAVORABLE (UNFAVORABLE)</u>
EXPENDITURES:			
Salaries & Employee Benefits:			
Salaries	\$ 52,000	\$ 51,875	\$ 125
F.I.C.A.	2,000	3,971	(1,971)
Total Salaries & Employee Benefits	<u>54,000</u>	<u>55,846</u>	<u>(1,846)</u>
Library Materials:			
Books, magazines & videos	14,840	14,861	(21)
Printing	735	731	4
Total Library Materials	<u>15,575</u>	<u>15,592</u>	<u>(17)</u>
Operational:			
Contract services & dues	2,650	2,648	2
Communications	1,896	1,905	(9)
Computer expense	2,127	2,077	50
Seminars & transportation	780	798	(18)
Insurance and bonds	2,201	2,193	8
Utilities	7,686	5,887	1,799
Rent	3,000	3,000	-
Repairs & maintenance	2,610	2,774	(164)
Office supplies & postage	3,040	3,076	(36)
Audit	1,175	1,175	-
Dues	510	540	(30)
Total Operational	<u>27,675</u>	<u>26,073</u>	<u>1,602</u>
Miscellaneous:			
Friends of the Library	-	4,536	(4,536)
Other miscellaneous	2,310	3,273	(963)
Total Miscellaneous	<u>2,310</u>	<u>7,809</u>	<u>(5,499)</u>
Capital Outlay	<u>830</u>	<u>854</u>	<u>(24)</u>
TOTAL EXPENDITURES	<u>\$ 100,390</u>	<u>\$ 106,174</u>	<u>\$ (5,784)</u>